



PHILIP L. BROWNING
Director

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Chief Deputy

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 21, 2011

#14 JUNE 21, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**RECOMMENDATION TO EXTEND THIRTEEN STAGE ONE CHILD CARE SERVICES
CONTRACTS
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) continues to require the services of 13 Alternative Payment Program (APP) agencies to provide Stage 1 Child Care Services (S1CC) to the County's California Work Opportunity and Responsibility to Kids (CalWORKs) participants. These agencies assist participants in obtaining child care services, so that the participant can be actively engaged in required Welfare-to-Work activities. The current contracts with the 13 APP agencies expire June 30, 2011. The recommended action to extend the contracts for six months would provide sufficient time to finalize the ongoing negotiations of new three-year contracts with the 13 APP agencies.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of DPSS, to execute contract amendments in substantially similar form as Enclosure I, with the 13 APP agencies for the amounts indicated in Enclosure II; and instruct DPSS to notify your Board and the Chief Executive Office in writing within ten workdays of execution of the contracts. The amendments extend the term of the contracts for a period of six months, effective July 1, 2011 through December 31, 2011 at an estimated cost of \$39,780,427. The estimated cost will be fully funded by the CalWORKs Single Allocation. Funding for the contract amendments has been included in the Department's Fiscal Year (FY) 2011-12 Recommended Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will allow DPSS to continue to provide vital child care services to the

County's CalWORKs participants to assist them in participating in required Welfare-to-Work activities and to achieve the goal of self-sufficiency.

Under the S1CC contracts, the agencies must: 1) ensure that the parent is provided with the necessary information and assistance to make an informed child care choice; 2) determine that the parent is eligible to receive child care services and the provider meets all eligibility criteria, and; 3) process the child care certification within a specified time period. The S1CC agencies must also process provider payments.

An extension to the current S1CC contracts is requested to provide additional time to finalize the terms and conditions of the contract.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal 2; Children, Family and Adult Well-Being, Strategy 1; Client-Center Integrated Services: Develop and implement client-centered approaches through integrated services and best practices.

FISCAL IMPACT/FINANCING

The cost of extending the S1CC contracts will be fully funded by CalWORKs Single Allocation. No additional net County cost is required after the CalWORKs Maintenance of Effort is met. The total cost of the six-month extension for the 13 S1CC contracts is estimated to be \$39,780,427, which includes \$9,088,927 for operational and administrative fees paid to the agencies and \$30,691,500 for the direct costs of payments made to child care providers. Funding for these contract amendments is included in the Department's FY 2011-12 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Education Code 8350 requires three stages of child care services. Subsection 8351(a) of the same code requires county welfare departments to manage the first stage (S1CC). Subsection 8351(e) allows counties to contract for any or all S1CC services. The Stage 2 and Stage 3 Child Care Programs are under the administrative authority of the California Department of Education (CDE). DPSS has contracted with the same agencies as CDE for S1CC services.

The County has contracted for S1CC services since December 1998. The current contracts went into effect on September 1, 2006 for 11 of the APP agencies and on October 1, 2006 for two others and were to expire on June 30, 2009. Due to delays caused by the State Budget crisis and other factors, the contracts were extended with approval by the California Department of Social Services (CDSS) and your Board for extension periods to complete negotiations.

The current contracts for these services expire on June 30, 2011. Due to the need for additional time to finalize the contract terms and conditions, renegotiations of the new three-year contracts will not be completed by June 30, 2011. On June 2, 2011, CDSS approved the additional six-month extension of these contracts pursuant to CDSS Purchase of Service Regulation Section 23-650.1.18.

The contract amendment has been approved as to form by County Counsel.

CONTRACTING PROCESS

The original S1CC contract term was from September 1, 2006 (October 1, 2006 for two agencies) through June 30, 2009. On September 8, 2008, CDSS approved the renewal of these sole source contracts, effective July 1, 2009. There are no other agencies that can adequately perform this function. Seamless service delivery between Stages 1, 2, and 3 is crucial to ensure CalWORKs participants continue to achieve their long-term goals of self-sufficiency.

On March 20, 2009 CDSS approved the Department's request to extend the contracts on a month-to-month basis for up to six months from July 1, 2009 through December 31, 2009 due to the State Budget crisis. On November 16, 2009, CDSS approved the Department's request to extend the contracts for another 12-month period from January 1, 2010 through December 31, 2010 as State Budget issues continued with changes in the CalWORKs Welfare-to-Work exemption criteria.

On November 12, 2010, CDSS approved the Department's request to extend the contracts for up to six months, from January 1, 2011 through June 30, 2011, due to the unique circumstances caused by the delay in finalization of the State budget and potential reductions in the CalWORKs and Child Care Programs.

CONTRACTOR'S PERFORMANCE

The current contracts are monitored on a quarterly basis. Monitoring results for the most recent monitoring period indicated that the agencies were in compliance with contract requirements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

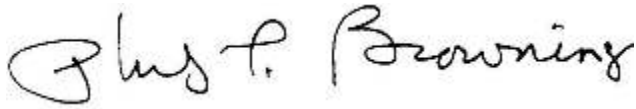
The recommended action will permit the uninterrupted provision of S1CC services to children of CalWORKs participants. The recommended action will not infringe on the role of the County in relationship to its residents and the County's ability to respond to an emergency will not be impaired.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to send one adopted stamped Board letter to DPSS.

The Honorable Board of Supervisors
6/21/2011
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Respectfully submitted,

A handwritten signature in black ink, reading "Philip L. Browning". The signature is written in a cursive style with a large, stylized "P" and "B".

PHILIP L. BROWNING
Director

PLB:rml

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer

**AMENDMENT NUMBER SIX
TO THE CONTRACT BY AND BETWEEN
THE COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC SOCIAL SERVICES
AND
CONTRACTOR'S NAME
TO PROVIDE STAGE 1 CHILD CARE SERVICES**

Reference is made to the Agreement entitled "CalWORKs Stage 1 Child Care Services Contract" and further identified as County Contract Number CMD _____ by and between County of Los Angeles and Contractor for Stage 1 Child Care Services" dated September 1, 2006, Amendment One dated October 30, 2007, Amendment Two dated June 22, 2009, Amendment Number Three dated December 22, 2009, Amendment Four dated December 23, 2010, Amendment Five dated January 11, 2011, Change Notice One dated October 23, 2006, Change Notice Two dated February 28, 2007, Change Notice Three dated October 4, 2007, Change Notice Four dated September 8, 2008, Change Notice Five dated October 30, 2008, and Change Notice Seven dated June 8, 2009 (collectively hereinafter referenced as "Agreement").

This Amendment shall be effective as of July 1, 2011.

WHEREAS, Contractor is qualified to provide the CalWORKs Child Care Resource and Referral and/or Alternative Payment Provider services as set forth hereunder and warrants that it possesses the competence, expertise and personnel necessary to provide such child care services as referrals, orientation, case management, record maintenance, and payments; and

WHEREAS, COUNTY finds it necessary to secure such professional services; and

WHEREAS, based upon non-competitive negotiation under Code of Federal Regulations 45, Part 74 (Administration of Grants) and California Department of Social Services regulations and policies, CONTRACTOR has been selected for recommendation for award of this Contract; and

WHEREAS, this Contract is further authorized by California Government Code Section 26227 and California Education Code 8351(e); and

WHEREAS, the County and Contractor desire to extend the Contract, for a six-month period from July 1, 2011 through December 31, 2011.

THEREFORE, COUNTY and CONTRACTOR hereby agree to amend this Contract as follows:

I. **CONTRACT, Section 4.0, TERM OF CONTRACT, Paragraph 4.4** is added as follows:

- 4.4 This Contract is extended for an additional six-month period commencing July 1, 2011 through December 31, 2011. COUNTY has the option to terminate the Contract earlier in accordance with Contract Section 8.54, Termination for Convenience of the COUNTY.

II. **CONTRACT, Section 5.0, COMPENSATION, Paragraph 5.4**, Contractor Budget, is revised as follows:

CONTRACTOR budget, Attachment B, is included for the purpose of providing an estimated cost basis for the negotiated fee-per-unit of services (pay point rate) and for the fixed monthly payment amount, and to establish general levels of total staffing which CONTRACTOR anticipates will be needed to complete the work required by the Contract.

CONTRACTOR budget, Attachment B, will also serve as the basis for compensation for contract extensions.

CONTRACTOR may amend its budget and staffing without prior approval of the COUNTY, except that CONTRACTOR must maintain its collocation staffing at the level indicated in the collocation portion of the budget. CONTRACTOR will report its total full-time equivalent staffing paid by this Contract, not including staff paid through indirect funds, on each Monthly Management report, which will include the following:

- A. Total current full-time equivalent positions assigned to this Contract;
- B. Current full-time equivalent employees assigned to this Contract;
- C. Current full-time equivalent positions temporarily vacant for which new staff are being recruited, and;
- D. A county of CONTRACTOR employees paid by Contract funds.

III. **CONTRACT, Section 5.0, COMPENSATION, Paragraph 5.7**, Advances and Settlements, sub-paragraph 5.7.7 is added as follows:

- 5.7.7 The advance funds issued to CONTRACTOR for Fiscal Year 2011-12 on or about July 11, 2011 pursuant to sub-

paragraph 5.7.4, shall be carried over to the successor contract. If no successor contract is executed by CONTRACTOR and COUNTY, COUNTY shall recoup the advances on the final invoice submitted to the COUNTY by the CONTRACTOR, and if any additional recoupment is necessary, CONTRACTOR shall pay COUNTY by cash payment within three calendar days of notification to CONTRACTOR of the final determination by COUNTY of the amount of the payment.

All other provisions, terms and conditions in the Contract and Contract amendments remain in full force and in effect.

The parties hereto have caused this Amendment Number Six to be executed by their authorized officers.

COUNTY OF LOS ANGELES

By: _____
Philip L. Browning, Director
Department of Public Social Services

_____ Date

CONTRACTOR'S NAME # CMD (CONTRACT NUMBER)

By: _____
Name
Executive Director

_____ Date

By: _____
Name
Title

_____ Date

APPROVED AS TO FORM:

**ANDREA SHERIDAN ORDIN
COUNTY COUNSEL**

By: _____
David R. Beaudet
Deputy County Counsel

_____ Date

**STAGE 1 CHILD CARE
ESTIMATED 6-MONTH COST
JULY 1, 2011 THROUGH DECEMBER 31, 2011**

CONTRACT AGENCY	SUPERVISORIAL DISTRICT	MONTHLY CHILD CARE CASELOAD	ESTIMATED COST FOR CASE MANAGEMENT	ESTIMATED COST FOR CO-LOCATED STAFF	ESTIMATED COST FOR CONTRACTORS' OUTREACH ACTIVITIES	ESTIMATED COST FOR DIRECT PROVIDER PAYMENTS (DPP)	TOTAL ESTIMATED CONTRACT COSTS
Center for Community and Family Services, Inc.	1, 2, 4	831	\$ 813,500	N/A	\$ 6,414	\$ 3,632,000	\$ 4,451,914
Child Care Information Service, Inc.	1, 5	174	\$ 170,500	N/A	\$ 1,584	\$ 540,500	\$ 712,584
Child Care Resource Center, Inc.	1, 3, 5	1,920	\$ 1,878,500	\$ 224,545	\$ 10,824	\$ 6,837,000	\$ 8,950,869
Society of California Children's Home	2, 4	542	\$ 530,000	\$ 216,582	\$ 4,992	\$ 1,589,500	\$ 2,341,074
City of Norwalk	4	131	\$ 128,500	N/A	\$ 566	\$ 559,000	\$ 688,066
Connections for Children	2, 3, 4	94	\$ 92,000	N/A	\$ 870	\$ 340,500	\$ 433,370
Crystal Stairs, Inc.	1, 2, 4	1,586	\$ 1,551,500	\$ 217,517	\$ 13,350	\$ 5,966,000	\$ 7,748,367
Drew Child Development Corporation, Inc.	1, 2	640	\$ 626,000	N/A	\$ 4,428	\$ 2,921,000	\$ 3,551,428
International Institute of Los Angeles Mexican American Opportunity Foundation	1, 5	726	\$ 710,000	\$ 70,278	\$ 4,980	\$ 2,668,000	\$ 3,453,258
Options - A Child Care and Human Services Agency	1, 4, 5	591	\$ 578,000	\$ 88,708	\$ 3,090	\$ 2,099,000	\$ 2,768,798
Pathways LA	1, 2, 3	404	\$ 395,500	N/A	\$ 2,940	\$ 1,282,500	\$ 1,680,940
Pomona Unified School District	1, 4, 5	615	\$ 602,000	\$ 57,457	\$ 600	\$ 1,988,000	\$ 2,648,057
TOTAL		8,337	\$ 8,158,500	\$ 875,087	\$ 55,340	\$ 30,691,500	\$ 39,780,427